

**COUNTY OF SAN BERNARDINO
CALIFORNIA**

Corrective Action Plan

Year ended June 30, 2004

COUNTY OF SAN BERNARDINO, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2004

HOME Program

CFDA No. 14.239

Finding 2004-01

Department's Response

We concur.

Corrective Action Plan

As of February 18, 2005, all program income generated by the use of HOME Program funds, from program inception through FY 2003-04, has been entered into the IDIS database. Procedures have been implemented to ensure that the HOME Program staff will enter program income into IDIS on a monthly basis. The Program Manager will review IDIS and verify that this is done on a monthly basis.

This finding stated that \$1,751,866 in program income was received in fiscal year 2003-04 and \$1,631,706 of program income was received in previous fiscal years. These funds were provided by the re-payment of Homeownership Assistance Program (HAP) loans. The audit report also stated that in accordance with 24 CFR 92.502, program income which is deposited into the local account (County Treasurer) must be used before additional HOME allocation funds are drawn down. A participating local jurisdiction may not draw down HOME allocation funds while allowing program income to accumulate in its local account. Available program income must be used to pay the next eligible program cost (or portion thereof).

ECD has reviewed this with Cheryl Hamilton, the County's Community Planning and Development representative from the Department of Housing and Urban Development (HUD) in Los Angeles. The Los Angeles HUD office has concurred with the County that these funds are "Recaptured Funds" as opposed to "Program Income". As a result, ECD has implemented procedures to ensure that the repayment of HAP loans is properly receipted in IDIS under "RE" and not "PI".

Name of Responsible Person: Tom Ramirez, Supervising ECD Analyst

Name of Department Contact: Tom Ramirez, Supervising ECD Analyst

Projected Implementation Date: April 15, 2005

COUNTY OF SAN BERNARDINO, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2004

HOME Program

CFDA No. 14.239

Finding 2004-02

Department's Response

We concur.

Corrective Action Plan

The HOME Program will implement procedures to reconcile the Financial Accounting System (FAS) to the Consolidated Annual Performance Evaluation Report (CAPER), on an annual basis. The program will also reconcile FAS to the Consolidated Plan Projects (IDIS Report C04PR6) on a monthly basis. Any discrepancies will be researched and corrected if necessary. The Program Manager will review the reconciliation documents monthly. The fiscal section currently balances expenses and revenues for this fund on a weekly basis ensuring expenses and receipts are recorded properly in FAS.

ECD will correct any excess match reported on HUD form 40107 – A, and reconcile the total expenditures reported in FAS to the 2003-04 Summary of Consolidated Plan Projects (C04PRO6).

Finally, discrepancies in the reconciliation of program income received during FY 2004, the July 1, 2003 program income balance reported by the County and the June 30, 2004 balance of program income were caused by the audit report's inclusion of HAP loan repayments as program income. ECD will receipt these loan repayments as recaptured funds in IDIS and not as program income.

Name of Responsible Person: Tom Ramirez, Supervising ECD Analyst

Name of Department Contacts: Tom Ramirez, Supervising ECD Analyst

Projected Implementation Date: April 15, 2005

COUNTY OF SAN BERNARDINO, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2004

HOME Program

CFDA No. 14.239

Finding 2004-03

Department's Response

We concur.

Corrective Action Plan

The County Department of Economic and Community Development (ECD) will conduct on-site monitoring of the Housing Authority of the County of San Bernardino (HACSB) on an annual basis. HACSB is ECD's only HOME Program funded sub-recipient. HACSB implements the County's Tenant Based Rental and Security Deposit Assistance (TBA) program. Annual on-site monitoring will begin on April 13, 2005. All monitoring correspondence and the TBA on-site monitoring check list have been submitted to the Office of the Auditor/Controller-Recorder.

Name of Responsible Person: Tom Ramirez, Supervising ECD Analyst

Name of Department Contacts: Adriane Rich, ECD Specialist I

Projected Implementation Date: April 13, 2005

COUNTY OF SAN BERNARDINO, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2004

WIA Cluster

CFDA No. 17.258, 17.260

Finding 2004-04

Department's Response

The Department concurs with the finding.

Corrective Action Plan

Staff has been instructed to include in case narratives the documentation to support the local gateway activities used for determining that intensive or training services are required for the participant/client to achieve the goal of obtaining or retaining self-sufficient employment. The local Workforce Investment Board (WIB), as allowed per Federal Regulations, acknowledges that any core service, such as initial assessment of need, may be the acceptable gateway activity to the WIA level of service; core, intensive or training.

The Department has instructed staff to complete and include in case files a *Financial Needs Analysis* for all participants, including those who have been referred for services from the County California Work Responsibility to Kids (CalWORKs) programs.

Responsible Person: Barbara Halsey, JESD Director

Contact Person: Sandy Harmsen, Manager

Implementation Date: Immediately (March 28, 2005)

COUNTY OF SAN BERNARDINO, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2004

WIA Cluster

CFDA No. 17.258, 17.259, 17.260

Finding 2004-05

Department's Response

The Department concurs with the finding.

Corrective Action Plan

As of July 1, 2004, the department implemented WIA Directive 03-8, dated November 25, 2003, that revised the monthly financial reporting requirements for formulary grants to a quarterly reporting system. Since that procedural change, the department has met all deadlines for the 2004-2005 expenditure reports.

Responsible Person: Linda Foster, Manager

Contact Person: Marilyn Trombetta, Supervisor

Implementation Date: July 1, 2004